



Senate

General Assembly

File No. 6

February Session, 2004

Senate Resolution No. 4

Senate, February 24, 2004

The Senate Committee on Appropriations reported through SEN. HARP of the 10th Dist., Chairperson of the Committee on the part of the Senate, that the resolution ought to be adopted.

**RESOLUTION PROPOSING APPROVAL OF AN INTEREST
ARBITRATION AWARD BETWEEN THE STATE OF CONNECTICUT
AND THE AMERICAN FEDERATION OF STATE, COUNTY AND
MUNICIPAL EMPLOYEES, COUNCIL 4, AFL-CIO.**

Resolved by the Senate:

- 1 That the interest arbitration award between the State of Connecticut
- 2 and the American Federation of State, County and Municipal
- 3 Employees, Council 4, AFL-CIO, Locals 269, 714, 2663, P-2 Bargaining
- 4 Unit, issued by the arbitrator October 16, 2003, and submitted to this
- 5 assembly October 31, 2003, for approval, as provided in subsection (b)
- 6 of section 5-278 of the general statutes, is approved.

APP *Senate Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note**State Impact:**

Fund-Type	Agencies Affected	FY 03 \$	FY 04 \$	FY 05 \$
All Funds - Cost	Various	1,558,561	7,975,003	17,970,080
GF - Cost	Various	1,391,547	7,125,983	16,056,893

Note: GF=General Fund

Municipal Impact: None

Explanation

This arbitration award for the Social and Human Services (P-2) bargaining unit is submitted for approval for the four-year period July 1, 2002 through June 30, 2006. Costs shown above are for the 3,369 All Funds employees, including 3,019 General Fund employees covered by this award. The FY 06 cost of the award is \$27,593,397 for All Funds, of which \$24,649,058 is for the General Fund. The annualized FY 06 cost of the award is \$28,957,964 for All Funds, of which \$25,867,398 is for the General Fund. Details of the costs are attached.

The appropriations act (PA 03-1, June 30 Special Session) removed funding for unsettled contracts for FY 03, FY 04 and FY 05. However, the governor's revised recommended budget includes sufficient funding in the Reserve for Salary Adjustments account to cover the costs of this award.

**Cost Estimate of Award
All Funds**

Social and Human Services (P-2) Bargaining Unit

Agencies Affected: Various

Term of Contract: Four Years: July 1, 2002 through June 30, 2006

Number of Full-Time Employees Affected by Contract:

3,019	General Fund
<u>350</u>	Other Funds
3,369	All Funds

Average Full-Time Salary Data:

Percent Increase (Cash Basis)

			General		
			Wage		Annual
	Salary	Total	Increase	Increment	Other
Prior to Contract	\$ 54,117				
1 st Year of Contract (FY 03)	54,546	0.79%	0.00%	0.79%	0.00%
2 nd Year of Contract (FY 04)	55,795	2.29%	2.29%	0.00%	0.00%
3 rd Year of Contract (FY 05)	57,537	3.12%	2.86%	0.25%	0.01%
4 th Year of Contract (FY 06)	59,472	3.36%	2.86%	0.49%	0.01%

Percent Increase (Annualized Basis)

			General		
			Wage		Annual
	Salary	Total	Increase	Increment	Other
Prior to Contract	\$ 54,117				
1 st Year of Contract (FY 03)	55,040	1.71%	0.00%	1.71%	0.00%
2 nd Year of Contract (FY 04)	57,250	4.02%	2.48%	1.54%	0.00%
3 rd Year of Contract (FY 05)	59,684	4.25%	2.97%	1.27%	0.01%
4 th Year of Contract (FY 06)	62,073	4.00%	2.98%	1.01%	0.01%

Cost Summary Data (Estimated):

	Prior to Contract	At End of Contract (Annualized)	Percent Increase (4 years)
Salaries [1]	\$ 182,318,825	\$ 209,107,200	14.69%
Fringe Benefits [2]			
Current Items	\$ 57,156,952	\$ 61,641,326	
Negotiated Improvements	-	118,125	
Total Fringe Benefits	\$ 57,156,952	\$ 61,759,451	8.05%
Total	\$ 239,475,777	\$ 270,866,651	13.11%

3.13% Average per Year (compounded)

[1] Salaries include base salary, longevity payments, and shift and weekend differentials.

[2] Fringe Benefits include Social Security, normal cost of pension contributions, health and life insurance, Tuition Reimbursement, and Conference and Workshop Funds.

Detail of Cost Estimates All Funds

Contract Items	FY 06				
	FY 03	FY 04	FY 05	FY 06 [1]	Annualized [1]
First Year (FY 03)					
No FY 03 General Wage Increase	\$ -	\$ -	\$ -	\$ -	\$ -
Annual Increments	1,446,759	3,110,870	3,110,870	3,110,870	3,110,870
Reimburse Cost of Client Fraud Security Fund (15 Attorneys x \$75)	1,125	1,125	1,125	1,125	1,125
Sick Leave Donation Allowed [2]	Unknown	Unknown	Unknown	Unknown	Unknown
Employer Shall Pay Equipment Costs [3]	Unknown	Unknown	Unknown	Unknown	Unknown
State Car Provided for the Department of Social Services Standby Program [4]	Unknown	Unknown	Unknown	Unknown	Unknown
Total First Year	\$ 1,447,884	\$ 3,111,995	\$ 3,111,995	\$ 3,111,995	\$ 3,111,995
Second Year (FY 04)					
General Wage Increase (2.5%), Effective 7/11/03 (24 pay periods)		\$ 4,241,469	\$ 4,594,924	\$ 4,594,924	\$ 4,594,924
Annual Increments, Delayed Six Months		5,782	2,851,888	2,851,888	2,851,888
Increase Tuition Reimbursement from \$133,000 to \$160,000 on 7/1/03		27,000	27,000	27,000	27,000
Increase Conference and Workshop Funds from \$50,000 to \$75,000 on 7/1/03		25,000	25,000	25,000	25,000
Increase Auto Usage Fee from \$4.25 to \$4.50, Effective Upon Legislative Approval		800	2,600	2,600	2,600
Increase Travel Reimbursements, Effective Upon Legislative Approval		Minimal	Minimal	Minimal	Minimal
Implement Various Changes for Part-Time Permanent (PTP) Interpreters in the Commission on the Deaf and Hearing Impaired [5]		Minimal	Minimal	Minimal	Minimal
Provide Safety Equipment and Cell Phones [6]		Minimal	Minimal	Minimal	Minimal
Provide Compensatory Time for Classes Exempt from Overtime [7]		Unknown	Unknown	Unknown	Unknown
Total Second Year		\$ 4,300,051	\$ 7,501,413	\$ 7,501,413	\$ 7,501,413
Third Year (FY 05)					

Contract Items	FY 06				
	FY 03	FY 04	FY 05	FY 06 [1]	Annualized [1]
General Wage Increase (3%) Effective 6/27/03 (25 pay periods)			\$ 5,516,648	\$ 5,737,314	\$ 5,737,314
Annual Increments, Delayed Three Months			485,983	2,443,445	2,443,445
Increase Tuition Reimbursement from \$160,000 to \$200,000 on 7/1/04			40,000	40,000	40,000
Increase Conference and Workshop Funds from \$75,000 to \$100,000 on 7/1/04			25,000	25,000	25,000
Increase Night Shift Differential from \$0.65 to \$0.70 on 7/1/04			5,866	6,200	6,200
Increase Weekend Differential from \$0.40 to \$0.45 on 7/1/04			14,476	15,300	15,300
Total Third Year			\$ 6,087,973	\$ 8,267,259	\$ 8,267,259
Fourth Year (FY 06)					
General Wage Increase (3%) Effective 6/24/05 (25 pay periods)				\$ 5,752,631	\$ 5,982,736
Annual Increments				986,465	2,022,797
Increase Home and Office Premium from \$400 to \$500 on 7/1/05				800	800
Increase Night Shift Differential from \$0.70 to \$0.75 on 7/1/05				5,866	6,200
Increase Weekend Differential from \$0.45 to \$0.50 on 7/1/05				14,476	15,300
Total Fourth Year				\$ 6,760,238	\$ 8,027,833
Total Contract Items	\$ 1,447,884	\$ 7,412,045	\$ 16,701,381	\$ 25,640,905	\$ 26,908,500
Social Security Costs [2]	110,677	562,957	1,268,619	1,952,493	2,049,464
Total Cost of Contract	\$ 1,558,561	\$ 7,975,003	\$ 17,970,000	\$ 27,593,397	\$ 28,957,964
Estimated General Fund Cost	\$ 1,391,547	\$ 7,125,983	\$ 16,056,893	\$ 24,649,058	\$ 25,867,398

[1] This cost analysis is based on annual costs equaling the payment of 26 payrolls. PA 03-1 of the June 2003 Special Session authorizes the development of the 2005-2007 state budget on a GAAP (Generally Accepted Accounting Principles) basis. This change will basically add one-tenth of a payroll to annual costs beginning in FY 06.

[2] This award establishes a sick leave donation program. The cost of this program cannot be determined at this time.

[3] This award requires the agency, not the employee, to pay for the replacement of lost or stolen key cards. The cost of this provision cannot be determined at this time.

[4] This award requires the state to provide a car for the Department of Social Services' standby program. The fiscal impact of this provision cannot be determined at this time.

[5] The contract includes a Supplemental Letter of Agreement that makes several changes affecting Interpreters for the Commission on the Deaf and Hearing Impaired. Costs associated with these changes are not anticipated to be significant. Such changes include, (1) differentials for those holding NAD certificates, (2) a \$1,000 per year stipend for those required to interpret two or more languages, and (3) a formula change in holiday pay for part-time permanent interpreters.

[6] According to this agreement, financial and budgetary restrictions may influence the extent to which these devices are available.

[7] Employees of certain job classes who are currently exempt from overtime pay will now receive compensatory time. As a result, there could be fiscal impact associated with lost productivity or the cost of having other employees perform their work.

Notes:

These costs do not include \$59,300 in retroactive Annual Increment costs for employees who were separated from state service during FY 03.

These costs represent the projected estimated costs for the award for employees on the payroll as of the start of FY 04. A significant number of P-2 bargaining unit employees took advantage of a recent Early Retirement Incentive Program (ERIP). The replacement workers for some of the employees who took the ERIP are not yet on the state payroll. In addition, the state is also committed to add significant

additional staff in the Department of Families and Children beyond the replacement of ERIP employees, and many of these workers are not yet on the state payroll. Since the costs do not reflect the impact of this award on these additional employees, future costs may be understated.

In addition to the costs outlined above, a Memorandum of Understanding (MOA) signed on October 22, 2003, may have additional fiscal impact. The MOA provides some additional benefits to eligible Intermittent Claims Interviewers.

OFA Bill Analysis

SR 4

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MUNICIPAL EMPLOYEES, COUNCIL 4, AFL-CIO.**

SUMMARY:

A separate analysis is not prepared since the fiscal note contains much of the same information that would go into a separate analysis.

COMMITTEE ACTION

Appropriations Committee

Senate Favorable Report

Yea 7 Nay 4